

Message Text

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TAGS: EINV, OECD

SUBJECT: OECD COMMITTEE ON INTERNATIONAL INVESTMENT AND
MULTINATIONAL ENTERPRISES (CIME): ACCOUNTING STANDARDS
AND NATIONAL TREATMENT

REFS: (A) PARIS 15216, (B) STATE 110873

VIENNA FOR BOERNER, U.S. DELEGATION TO UNTNC COMMISSION

1. ACCOUNTING STANDARDS. DEPARTMENT AGREES THAT SECRE-
TARIAT REVISION INCORPORATES MOST OF OUR POINTS. WHILE
WE ARE CONCERN-
ED THAT MORE CONCISE PRESENTATION MAY NOT
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FULLY REFLECT THE VIEWS OF ALL CIME MEMBERS (E.G. THE CON-
CERNS OF SMALLER COUNTRIES WHO LEGISLATE RATHER THAN
ALLOW PROFESSIONAL BODIES TO ESTABLISH ACCOUNTING STAND-
ARDS), WE BELIEVE THAT ANY PROBLEMS CAN BE WORKED OUT AT
THE JULY 3-4 CIME.

2. UNDER SEPTTEL, DEPARTMENT CIRCULATING REVISED TERMS OF

REFERENCE TO OECD MEMBER STATES. WE HAVE MADE SOME CHANGES IN THE SECRETARIAT PROPOSALS TO FURTHER CLARIFY MANDATE OF GROUP IN LIGHT OF SECRETARIAT SUGGESTIONS. MISSION MAY PASS THESE CHANGES TO SECRETARIAT WITH A RATIONALE FOR CHANGES.

(A) PER PARA 4 REF A, TITLE SHOULD BE: "DRAFT DECISION OF CIME ON THE ESTABLISHMENT OF A SUB-GROUP ON ACCOUNTING STANDARDS." THIS ALLOWS A CLEARER DISTINCTION BETWEEN THE WORK IN PHASE ONE EMPHASIZING REVIEW OF EXISTING EFFORTS AND IDENTIFICATION OF POSSIBLE PROBLEMS, AND PHASE TWO, SHOULD THE CIME AGREE ON THE NEED FOR FURTHER WORK, WHERE A PERMANENT EXPERTS GROUP MIGHT ACTUALLY FIX STANDARDS. FOR THIS REASON, IN PARA 4(1), THE OPENING SENTENCE SHOULD READ: "THE COMMITTEE DECIDES TO ESTABLISH A SUB-GROUP ON ACCOUNTING STANDARDS...."

(B) PER PARA 4.(1)(A) REF A, THE LAST SECTION OF (A) SHOULD READ: "...AND POSSIBLE APPROACHES, BEARING IN MIND OVERLAP WITH EXISTING ACTIVITIES, TO THESE PROBLEMS;" WE BELIEVE THIS MORE CORRECTLY PLACES THE POINT WHICH THE SECRETARIAT PLACES AT THE END OF PARA 4.(1)(B), AND ALLOWS THE DELETION OF: "...GIVING DUE...OTHER ORGANIZATIONS;".

(C) PER PARA 4.(2) REF A, THE FIRST PHRASE SHOULD READ: "ON THE BASIS OF THE SUB GROUP'S REPORT...." THIS MORE LIMITED OFFICIAL USE

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CLEARLY DISTINGUISHES THE TWO PHASES OF THE GROUP'S WORK.

3. WHILE U.S. DEL (BOERNER) AT TNC COMMISSION PREPARED TO DISCUSS THIS ISSUE IN GENERAL TERMS, IT IS UNLIKELY THAT OTHER DELS WILL RECEIVE INSTRUCTIONS FROM CAPITALS ON THIS QUESTION IN TIME FOR SIGNIFICANT CONSENSUS BUILDING IN VIENNA.

4. NATIONAL TREATMENT. WE HAVE NO PROBLEM WITH PROPOSED AGENDA FOR FIRST SESSION. WE RECOGNIZE THE NEED TO CLEAN UP IME (78)2 AS SOON AS POSSIBLE NOT ONLY TO MAKE IT AN INTERIM REPORT TO THE JULY CIME BUT ALSO TO ALLOW ITS DERESTRICTION AND CIRCULATION TO NON-GOVERNMENT SECTORS IN OECD COUNTRIES. THIS WILL PROVIDE A FIRM BASIS FOR SEEKING AN INDICATION OF THE RELATIVE SIGNIFICANCE OF THE VARIOUS EXCEPTIONS FROM MEMBER COUNTRY BUSINESS COMMUNITIES.

5. PER PARA 3 REFTL, THE U.S. DOES NOT INTEND TO RAISE ALLEGATIONS OF VIOLATIONS OF THE NATIONAL TREATMENT PRINCIPLE. RATHER, IN THE INTEREST OF GREATER TRANSPARENCY WE INTEND TO IDENTIFY EXCEPTIONS TO NATIONAL

TREATMENT THAT HAVE BEEN BROUGHT TO OUR ATTENTION. WE HOPE
THAT THIS WILL LEAD TO A CLARIFICATION OF THE STATUS OF
THESE EXCEPTIONS AND WHETHER THEY SHOULD BE REPORTED TO THE
OECD SECRETARIAT. VANCE

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